

Retirement Plans Opportunities

| | 401(k) | 403(b) | IRA | ROTH IRA | Pension (Ex. IPERS) |
|--------------------------|--|---|--|--|--|
| About | <p>A 401(k) is a feature of a qualified profit-sharing plan that allows employees to contribute a portion of their wages to individual accounts.</p> <p>You chose the investment option.</p> <p>Elective salary deferrals are excluded from the employee's taxable income</p> <p>Employers can contribute to employees' accounts. - Matching</p> | <p>A 403(b) plan is a retirement plan offered by public schools and certain charities. It's similar to a 401(k) plan maintained by a for-profit entity. Just as with a 401(k) plan, a 403(b) plan lets employees defer some of their salary into individual accounts.</p> <p>You chose the investment option</p> <p>Elective salary deferrals are excluded from the employee's taxable income</p> | <p>Individual Retirement Account - Not through an Employer</p> <p>Grow Tax Free</p> <p>Deferring taxes means all of your dividends, interest payments and capital gains can compound each year without being hindered by taxes.</p> <p>Invested - Chose your risk</p> | <p>Individual Retirement Account - Not through an Employer</p> <p>Grow Tax Free</p> <p>You fund a Roth with after-tax dollars, meaning you've already paid taxes on the money you put into it.</p> <p>Invested - Chose your risk</p> | <p>Pension fund, consistently making contributions to the fund. Both employer and employee funded.</p> <p>Fund is used to provide retirement income.</p> <p>Consistent source of income doesn't run out.</p> <p>% of your working income</p> |
| When is it taxed? | In retirement | In retirement | In retirement | Prior to investing the money. | In retirement |
| Benefits | Grows Tax Free, Contributions are pretax dollars, and employers can contribute | Grows Tax Free, Contributions are pretax dollars, and employers can contribute | <p>The exceptions involve cases in which you use the withdrawal to pay for college expenses, to buy your first home (up to \$10,000) or for medical expenses greater than 7.5% of your AGI (adjusted gross income), or in case of disability.</p> <p>Grows Tax Free until retirement and you use it.</p> | <p>Grows Tax Free until retirement and tax free in retirement.</p> <p>The exceptions involve cases in which you use the withdrawal to pay for college expenses, to buy your first home (up to \$10,000) or for medical expenses greater than 7.5% of your AGI (adjusted gross income), or in case of disability.</p> | <p>benefits aren't tied to the performance of the stock market</p> <p>A guaranteed benefit. Your benefit is based on a formula; benefits are predictable.</p> <p>Look at Formula and examples.</p> |

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|------------------|---|---|----------------------------------|----------------------------------|--|
| Negatives | Invested, growth is never guaranteed due to risk, cannot remove it prior to retirement without penalty. | Invested, growth is never guaranteed due to risk, cannot remove it prior to retirement without penalty. | Caps on Contributions \$5,500 | Caps on Contributions \$5,500 | Where you work and how long you teach(Work) can dictate a lot of what the retirement income is |

Use the links below to assist you in your research.

[401\(k\)](#)

[403\(b\)](#)

[401\(k\) and 403\(b\)](#)

[IRA and ROTH IRA](#)

[IRA and ROTH IRA](#)

[IRA and ROTH IRA](#)

[Pension \(IPERS\)](#)